



MOULTON NIGUEL WATER

\$3,100,000*[Stone + Youngberg, municipal
financing consultants]
Investments Public sector,***Moulton Niguel Water District**

Orange County, California

*Sanitary disposal
Orange Co., CA***1975 Waste Water Bonds****For Improvement District No. 1A**

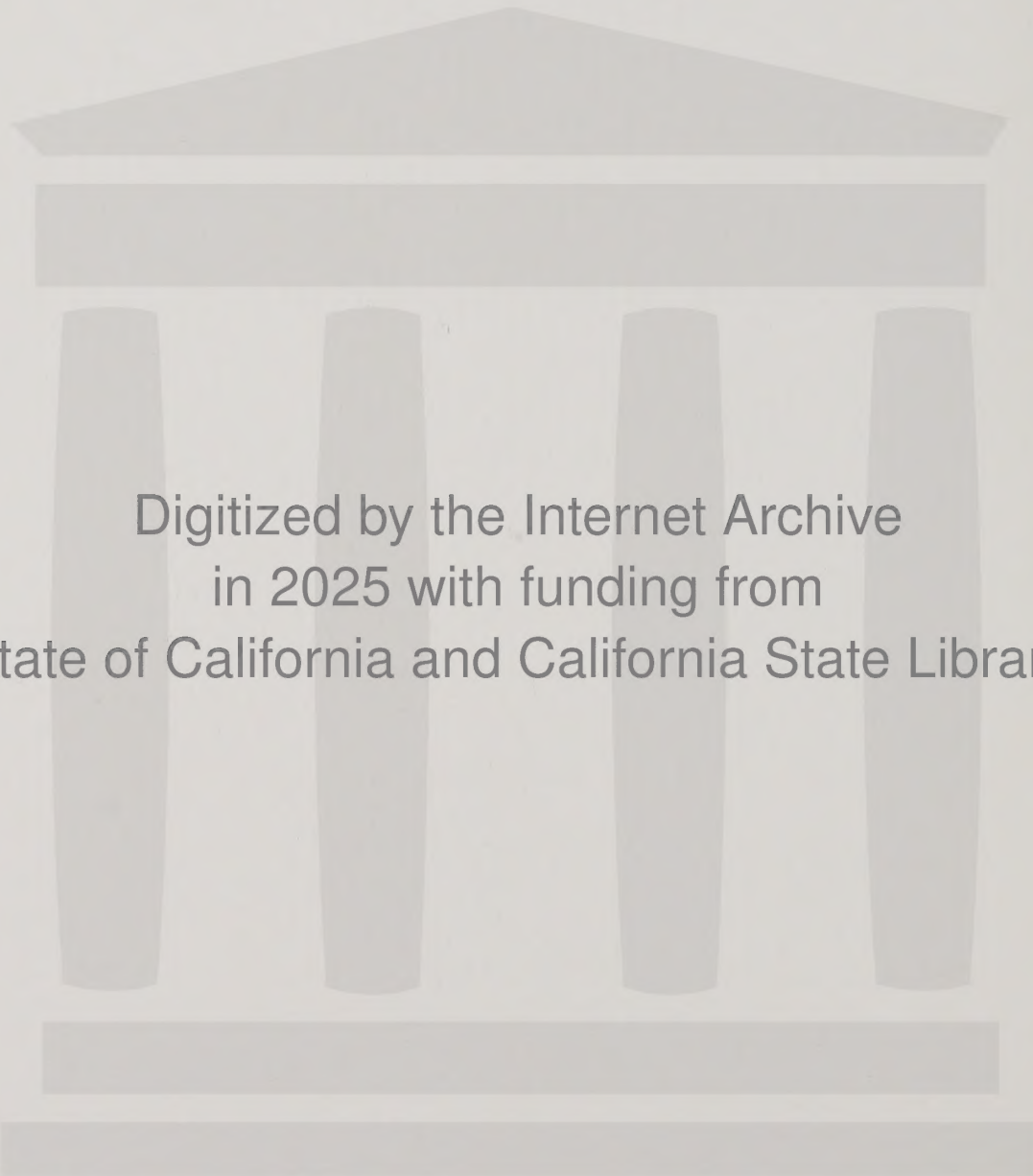
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Bids to be received by the Secretary of the Board of Directors of the Moulton Niguel Water District at or before 10:00 A.M. on Wednesday, April 16, 1975 in the Sixth Floor Conference Room of the Bank of America NT&SA, 555 South Flower Street, Los Angeles, California.



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MOULTON-NIGUEL WATER DISTRICT

Orange County, California

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Los Angeles

Stone & Youngberg Municipal Financing Consultants, Inc.

Los Angeles and San Francisco

The information contained within this Official Statement was prepared under the direction of the Board of Directors of the Moulton-Niguel Water District by Stone & Youngberg Municipal Financing Consultants, Inc., financing consultants to the District.

All of the following summaries of the statutes and resolutions are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

The information contained in this Official Statement has been compiled from sources believed to be reliable. The Official Statement contains estimates and matters of opinion, which are not intended as representations of fact. This Official Statement is not to be construed as a contract with the purchasers of the bonds.

THE DATE OF THIS OFFICIAL STATEMENT IS APRIL 1, 1975

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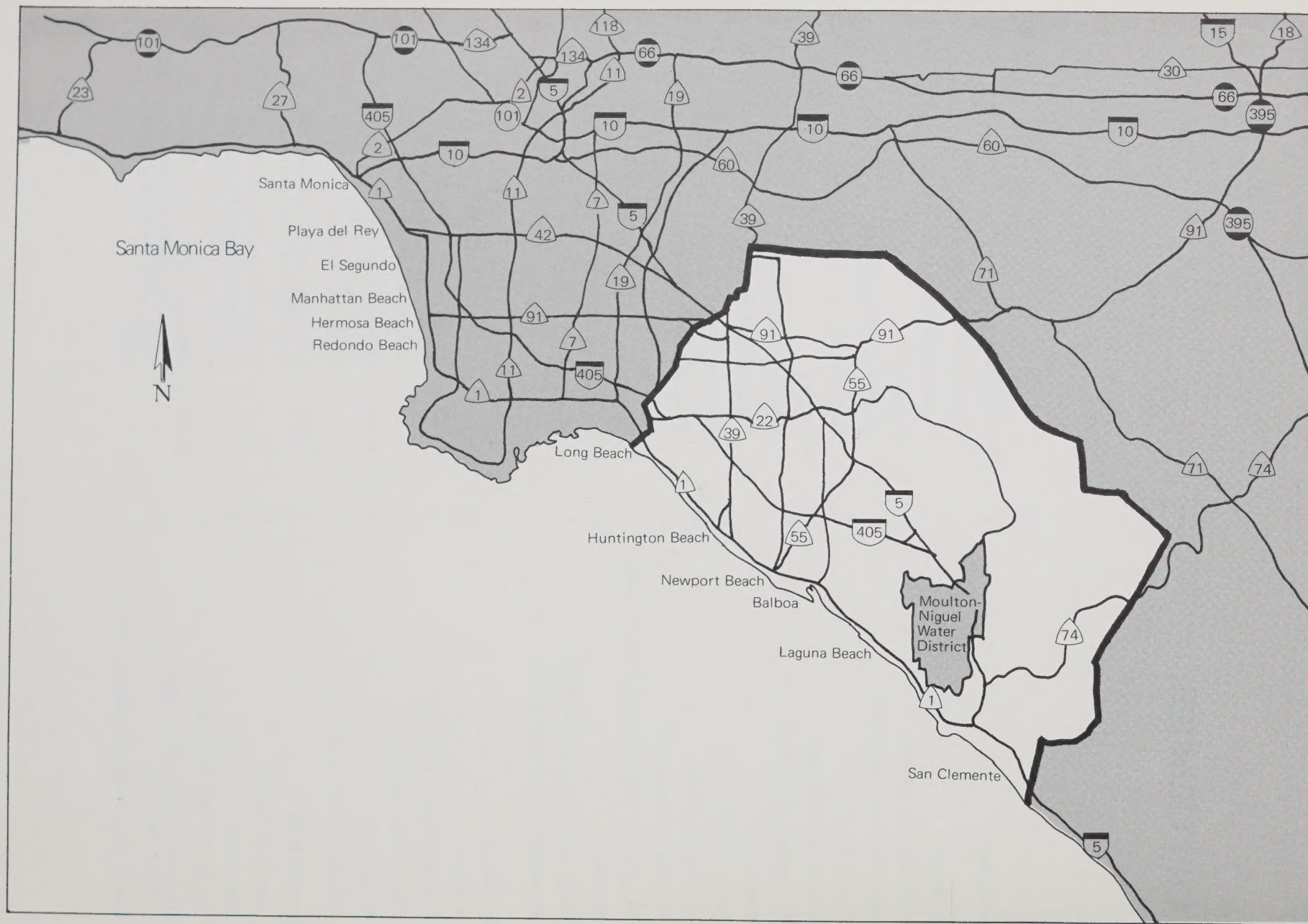


Figure 1 Vicinity Map

INTRODUCTION

The Moulton-Niguel Water District was formed in November of 1960 under provisions of the California Water District Law, Division 13 of the Water Code of the State of California, commencing with Section 34000. The District was formed for the purpose of providing a water supply for the area within its boundaries. The District is supplied with water from the Metropolitan Water District of Southern California East Orange County Feeder No. 2 through the Tri Cities Main and the Eastern Transmission Main.

Improvement District No. 1 was formed in November of 1962 to provide major intra-district water facilities within an area of approximately 8,300 acres in the southern portion of the District. Sewerage facilities for the area were initially provided by Orange County Sanitation District No. 12. Subsequently the California Water District law was amended to authorize the provision of sanitary sewerage services and on April 14, 1964 Improvement District No. 1A was formed to provide sewerage service in the area then served by Orange County Sanitation District No. 12. On May 19, 1965 the Sanitation District was merged with Improvement District No. 1A.

The bonds currently being offered for sale will be used to finance a portion of the cost of a regional wastewater treatment and disposal system. The project is being carried out by the Aliso Water Management Agency (AWMA). The proposed AWMA project consists of four interceptor sewers, a regional wastewater treatment plant and an ocean outfall. The AWMA project will serve virtually all of the portion of the Moulton-Niguel Water District located west of Interstate Highway 5, including Improvement District Nos. 1A, 2A, 4A and 5A. Improvement District No. 3A, located east of Highway 5, will be served by another regional wastewater project, being carried out by the Southwest Regional Reclamation Authority.

The \$3,100,000 of bonds for Improvement District No. 1A are being issued to finance the share of the AWMA project costs allocated to the Improvement District. Concurrently, the District is offering for sale \$1,390,000 of bonds for Improvement District No. 2A and \$1,850,000 of bonds for Improvement District No. 4A. The District will advance funds to meet the share of project costs allocated to Improvement District No. 5A and also to cover the share of treatment plant costs allocated to Improvement District Nos. 4A-1, 4A-2 and 4A-3, which together make up Improvement District No. 4A.

Included in the bond issue are sufficient funds to cover the entire costs of the project allocated to Improvement District No. 1A, less only \$400,000 of Federal and State grant funds which either have already been received by the District in connection with prior projects and made available to Improvement District No. 1A or have been approved to cover engineering costs in connection with the AWMA project. However AWMA has also applied for construction grants in connection with the project. If these grants are approved the Improvement District No. 1A share is estimated to be an additional \$433,000. Furthermore, if the grants are approved three additional agencies are expected to participate in the AWMA project, thus reducing the Improvement District's share of the costs of the ocean outfall.

Improvement District No. 1A covers an area of approximately 8,300 acres in southwestern Orange County, east of the City of Laguna Beach and north of the City of San Juan Capistrano. Interstate Highway 5 forms a portion of its western boundary and provides direct access to Santa Ana, the county seat, 19 miles to the northwest, and to Los Angeles, 51 miles to the northwest. The Crown Valley Parkway extends across the District from Interstate 5 to the Pacific Coast Highway (State Route 1) which is

located a short distance to the west of the District boundary.

Most of the development within the District has taken place on land controlled by Avco Community Developers, Inc., a subsidiary of Avco Corporation or by the Laguna Niguel Corporation which was acquired by Avco Community Developers in 1970. The company is engaged in both the construction of residences and the sale of land to commercial and residential builders for development in accordance with the company's master plan.

Another major land owner is the North American Rockwell Corporation. Although a 1,000,000 square foot building constructed by the company within the Improvement District has been acquired by the Federal government, the company still retains title to more than 1,200 acres of land which it plans to develop for a multiplicity of uses, including residential, commercial, business parts and recreational areas.

The assessed valuation of Improvement District No. 1A has shown a steady increase since its formation, increasing from \$326,140 in 1963/64 to \$18,588,840 for 1974/75. These include the assessed valuation of land only, the basis for taxation under the California Water District Law. The total assessed valuation of all property within the District for 1974/75 was \$46,713,335.

THE BONDS

Authority for Issuance

The \$3,100,000 principal amount of Moulton-Niguel Water District 1975 Waste Water Bonds for Improvement District No. 1A, are general obligations of the Improvement District being issued pursuant to Resolution No. 658 adopted by the District Board of Directors on March 20, 1975, and under provisions of the California Water District Law (Division 13 of the Water Code of the State of California, commencing with Section 34000).

Pursuant to Section 53541 of the Government Code of the State of California, the bonds will be issued in place of an equal principal amount of authorized but unissued bonds bearing a maximum interest rate of six percent. The bonds represent a portion of the \$15,580,000 authorized but unissued balance of a combined authorization of \$16,890,000, consisting of \$2,460,000 of bonds approved at an election held on August 3, 1965 and \$14,430,000 of bonds authorized at an election held on July 23, 1968.

The District sold \$1,310,000 of Improvement District No. 1A 1968 Sewer Bonds, Series 1, on September 19, 1968.

State Treasurer Approval

The law requires that the sale of any issue of bonds by the District must first be approved by the State Treasurer based on the recommendation of the District Securities Advisory Commission. An application for permission to sell the bonds has been made and a response is expected prior to the sale.

Sale of Bonds

Sealed bids for the purchase of the bonds will be received and opened by the Secretary of the Board of Directors of the District on Wednesday, April 30, 1975 at 10:00 a.m. (P.D.S.T.) in the Sixth Floor Conference Room of the Bank of America, NT&SA, 555 South Flower Street, Los Angeles, California 90017. It is expected that the bids will be referred to the Board of Directors for action at a meeting to be held later that day at the District office. Details of the terms of sale are contained in the official notice inviting bids adopted April 1, 1975.

Description of Bonds

The bonds will be in the denomination of \$5,000, all dated April 15, 1975, and numbered 1 to

620. Bonds are to mature in consecutive numerical order on April 15 in each of the years and in the amounts shown by the accompanying schedule of maturities.

SCHEDULE OF MATURITIES

| Maturity Date April 15 | Principal Maturing | Maturity Date April 15 | Principal Maturing |
|---------------------------|-----------------------|---------------------------|-----------------------|
| 1981 | \$ 50,000 | 1994 | \$115,000 |
| 1982 | 50,000 | 1995 | 125,000 |
| 1983 | 55,000 | 1996 | 135,000 |
| 1984 | 60,000 | 1997 | 145,000 |
| 1985 | 65,000 | 1998 | 155,000 |
| 1986 | 70,000 | 1999 | 165,000 |
| 1987 | 75,000 | 2000 | 175,000 |
| 1988 | 80,000 | 2001 | 190,000 |
| 1989 | 85,000 | 2002 | 205,000 |
| 1990 | 90,000 | 2003 | 215,000 |
| 1991 | 95,000 | 2004 | 235,000 |
| 1992 | 105,000 | 2005 | 250,000 |
| 1993 | 110,000 | | |

Interest will be payable by coupon semiannually on April 15 and October 15, beginning October 15, 1975.

Principal and interest are payable at the office of the Treasurer of the District or at the offices of the paying agents of the District in Los Angeles, San Francisco, Chicago and New York.

Redemption Provisions

The resolution of issuance provides that bonds maturing on or before April 15, 1990, a principal amount of \$680,000, are not subject to call or redemption prior to their fixed maturity date. The bonds maturing on and after April 15, 1991, a principal amount of \$2,420,000, are subject to call and redemption as a whole or in part in inverse order of maturity and by lot within a maturity at the option of the District on any interest payment date on and after April 15, 1990, upon payment of the principal amount and interest to the date of redemption plus a premium equal to one quarter of one percent of the principal amount for each year or portion of a year remaining between the redemption date and the maturity date.

Registration

The bonds will be issued as coupon bonds which will be registrable as to principal only or as to both

principal and interest and to discharge from registration, all at the option of the holder, under terms of the resolution of issuance.

Legal Opinion

The unqualified opinion of O'Melveny & Myers, Los Angeles, California, bond counsel for the Moulton-Niguel Water District, attesting to the validity of the bonds will be supplied free of charge to the original purchasers of the bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the successful bidder.

Tax Exempt Status

In the opinion of bond counsel, the interest on the bonds is exempt from present federal income taxes and from State of California personal income taxes under existing statutes, regulations, and court decisions.

Legality for Investment

It is expected that the bonds will be certified by the State Controller of the State of California, pursuant to the investigation by the State Treasurer, as legal investments in California for all trust funds and for the funds of all insurance companies, commercial banks, trust companies, the State, school funds and any funds which may be invested in county, municipal or school district bonds, and as eligible security for the deposit of public moneys in banks in the State.

In the opinion of Bond Counsel, the bonds do not qualify for the investment of funds of savings banks under provisions of the Financial Code of the State of California.

Purpose and Disposition of Bond Proceeds

The proceeds from the sale of the bonds will be used to finance the Improvement District's share of the costs of a regional water quality control project as described in the section entitled "The Project."

Security

Bond principal and interest are payable from annual ad valorem assessments which may be levied without limitation as to rate or amount on all assessable lands within the Improvement District, provided that the District may use funds derived from sewerage service charges, acreage assessment

charges and connection charges to meet bond service, if available for that purpose.

State Approval of Expenditures

As previously stated, the State Treasurer, after making an investigation of the project and its financing, must approve the issuance and sale of the bonds. In addition, the District is required under the law to obtain the approval for the expenditure of bond

proceeds for the purposes designated. Annually thereafter the District must submit a detailed report to the District Securities Division disclosing its financial transactions and other activities.

Estimated Annual Bond Service

Table 1 presents an estimate of the total annual bond service for the Bonds, based on an estimated interest rate of 7¼ per cent.

Table 1

**MOULTON-NIGUEL WATER DISTRICT
IMPROVEMENT DISTRICT NO. 1A
Estimated Annual Bond Service**

| Fiscal Year | 1975 Waste Water Bonds | | | | Prior Bond Service | Combined Bond Service |
|----------------|--------------------------|---------------------------------|-----------------------------------|--------------------------|--------------------------|-----------------------------|
| | Principal Outstanding | Interest Estimated @ 7¼ % | Principal Maturing April 15 | Total Bond Service | | |
| 1975/76 | \$3,100,000 | \$ 224,750.00 | \$ — | \$ 224,750.00 | \$ 86,820 | \$ 311,570.00 |
| 1976/77 | 3,100,000 | 224,750.00 | — | 224,750.00 | 85,770 | 310,520.00 |
| 1977/78 | 3,100,000 | 224,750.00 | — | 224,750.00 | 89,720 | 314,470.00 |
| 1978/79 | 3,100,000 | 224,750.00 | — | 224,750.00 | 88,320 | 313,070.00 |
| 1979/80 | 3,100,000 | 224,750.00 | — | 224,750.00 | 91,920 | 316,670.00 |
| 1980/81 | 3,100,000 | 224,750.00 | 50,000 | 274,750.00 | 95,170 | 369,920.00 |
| 1981/82 | 3,050,000 | 221,125.00 | 50,000 | 271,125.00 | 98,550 | 369,675.00 |
| 1982/83 | 3,000,000 | 217,500.00 | 55,000 | 272,500.00 | 101,660 | 374,160.00 |
| 1983/84 | 2,945,000 | 213,512.50 | 60,000 | 273,512.50 | 104,460 | 377,972.50 |
| 1984/85 | 2,885,000 | 209,162.50 | 65,000 | 274,162.50 | 106,985 | 381,147.50 |
| 1985/86 | 2,820,000 | 204,450.00 | 70,000 | 274,450.00 | 109,235 | 383,685.00 |
| 1986/87 | 2,750,000 | 199,375.00 | 75,000 | 274,375.00 | 106,210 | 380,585.00 |
| 1987/88 | 2,675,000 | 193,937.50 | 80,000 | 273,937.50 | 108,185 | 382,122.50 |
| 1988/89 | 2,595,000 | 188,137.50 | 85,000 | 273,137.50 | 109,885 | 383,022.50 |
| 1989/90 | 2,510,000 | 181,975.00 | 90,000 | 271,975.00 | 106,310 | 378,285.00 |
| 1990/91 | 2,420,000 | 175,450.00 | 95,000 ^① | 270,450.00 | 107,800 | 378,250.00 |
| 1991/92 | 2,325,000 | 168,562.50 | 105,000 ^① | 273,562.50 | 109,020 | 382,582.50 |
| 1992/93 | 2,220,000 | 160,950.00 | 110,000 ^① | 270,950.00 | 109,970 | 380,920.00 |
| 1993/94 | 2,110,000 | 152,975.00 | 115,000 ^① | 267,975.00 | 110,650 | 378,625.00 |
| 1994/95 | 1,995,000 | 144,637.50 | 125,000 ^① | 269,637.50 | 111,060 | 380,697.50 |
| 1995/96 | 1,870,000 | 135,575.00 | 135,000 ^① | 270,575.00 | 111,200 | 381,775.00 |
| 1996/97 | 1,735,000 | 125,787.50 | 145,000 ^① | 270,787.50 | 111,070 | 381,857.50 |
| 1997/98 | 1,590,000 | 115,275.00 | 155,000 ^① | 270,275.00 | 110,670 | 380,945.00 |
| 1998/99 | 1,435,000 | 104,037.50 | 165,000 ^① | 269,037.50 | — | 269,037.50 |
| 1999/00 | 1,270,000 | 92,075.00 | 175,000 ^① | 267,075.00 | — | 267,075.00 |
| 2000/01 | 1,075,000 | 79,387.50 | 190,000 ^① | 269,387.50 | — | 269,387.50 |
| 2001/02 | 905,000 | 65,612.50 | 205,000 ^① | 270,612.50 | — | 270,612.50 |
| 2002/03 | 700,000 | 50,750.00 | 215,000 ^① | 265,750.00 | — | 265,750.00 |
| 2003/04 | 485,000 | 35,162.50 | 235,000 ^① | 270,162.50 | — | 270,162.50 |
| 2004/05 | 250,000 | 18,125.00 | 250,000 ^① | 268,125.00 | — | 268,125.00 |
| Totals . . . | | <u>\$4,802,037.50</u> | <u>\$3,100,000</u> | <u>\$7,902,037.50</u> | <u>\$2,370,640</u> | <u>\$10,272,677.50</u> |

^① Callable on and after April 15, 1990.

THE PROJECT

The proceeds from the sale of the bonds will be used to finance the Improvement District's share of a regional wastewater disposal system to be constructed by the Aliso Water Management Agency (AWMA).

AWMA

The Aliso Water Management Agency was formed on March 1, 1972, under a joint exercise of powers agreement between the Moulton-Niguel Water District, the El Toro Water District, the Irvine Ranch Water District, the City of Laguna Beach, the Los Alisos Water District and the South Laguna Sanitary District. Subsequently, the agreement was amended to include the Emerald Bay Service District and the Santa Ana Mountains County Water District. The Agency was formed for the purpose of planning, constructing, operating and maintaining a regional system for the utilization and disposal of wastewater. The Agency is responsible for an area of 54,665 acres, including 7,700 acres within Improvement District No. 1A.

Existing District Facilities

Wastewater facilities within Improvement District No. 1A consist of a network of trunk and collector sewers and a one half million gallon per day (MGD) secondary water reclamation plant. Water from the plant is stored in ponds adjacent to it. In addition Improvement District Nos. 1A, 2A and 3A jointly own an interceptor sewer which conveys excess wastewaters to the South Laguna Sanitary District's 3.2 MGD treatment plant. The Moulton-Niguel Water District has purchased rights to one half the capacity in this plant, which has been allocated as follows: Improvement District No. 1A: 0.7 MGD; Improvement District No. 2A: 0.2 MGD; and Improvement District No. 3A: 0.7 MGD.

However, Improvement District No. 3A has joined another regional wastewater reclamation project and may sell its interest in the interceptor and treatment capacity to Improvement District Nos. 1A, 2A, 4A, 4A-1, 4A-2, 4A-3 and 5A. Additionally, the South Laguna Sanitary District has an option to purchase the Moulton-Niguel Water District's one-half interest in the treatment plant.

The AWMA Project

The proposed AWMA project consists of an ocean outfall; four interceptor sewers to convey waste-

waters from the agencies within AWMA to the outfall, including one raw sewage interceptor or effluent line to serve portions of the Moulton-Niguel Water District, the El Toro Water District and the Los Alisos Water District; construction of a regional wastewater treatment plant to serve the latter three agencies and modification of the South Laguna Sanitary District treatment plant.

However, the City of Laguna Beach has indicated that it will participate in the project only if State and Federal grants described below are approved. If the City of Laguna Beach participates, the Emerald Bay Service District and the Irvine Ranch Water District are also expected to take part, since the AWMA plan calls for them to participate in a joint interceptor line with Laguna Beach.

Grant Funds

AWMA has made application for State and Federal grant funds equivalent to 87.5 percent of the estimated costs of eligible portions of the project. An estimated \$833,000 of these funds would be applicable to the Improvement District No. 1A share of the project costs. However the District has included in its bond issue sufficient funds to cover its entire share of the project costs, less only the \$400,000 of grant funds which either have already been received in connection with prior projects and made available to Improvement District No. 1A or have been approved to cover engineering costs in connection with the AWMA project.

Estimated Project Costs

Table 2 shows an estimate of the Improvement District's share of the estimated AWMA project costs. Included is the estimated cost of an ocean outfall adequate to serve the Moulton-Niguel Water District,

the Los Alisos Water District, the El Toro Water District and the South Laguna Sanitary District. However, the construction bid documents will include as an alternative an ocean outfall adequate to serve the Emerald Bay Service District, the Irvine Ranch Water District and the City of Laguna Beach, should these agencies elect to participate.

Should the Improvement District's share of total project costs exceed the estimates, it is anticipated that the Improvement District plan of works will be modified, subject to the notice and hearing process, to reduce the treatment plant capacity, unless offsetting State and Federal grants are approved for the project.

Table 2

MOULTON-NIGUEL WATER DISTRICT IMPROVEMENT DISTRICT NO. 1A

Estimated Project Costs

| | |
|--|-------------|
| Ocean Outfall | \$1,256,000 |
| Aliso Creek Interceptor | 312,000 |
| Wastewater Treatment Plant | 1,219,000 |
| Total Construction Costs | \$2,787,000 |
| Interest During Construction | 434,000 |
| Reserve Fund | 130,000 |
| Legal and Financing | 25,000 |
| Administration and Contingencies | 203,000 |
| Total Funds Required | \$3,579,000 |
| Less: Other Funds Available | |
| Prior Bond Issue Proceeds | 79,000 |
| Grants Approved or Received | 400,000 |
| Net Funds Required | \$3,100,000 |

FINANCIAL DATA

Assessed Valuation

The assessed valuation of the Moulton-Niguel Water District is established by the Orange County Assessor, except for utility property which is assessed by the State Board of Equalization. The State Board of Equalization reported that Orange County assessed valuations for the 1974/75 fiscal year averaged 25 percent of full cash value, the same percentage at which utility property is reported to be assessed.

District taxes are levied against the assessed valuation of land only before exemptions. Following are the assessed valuations of the Moulton-Niguel Water District and Improvement District No. 1A for the 1974/75 fiscal year.

MOULTON-NIGUEL WATER DISTRICT and IMPROVEMENT DISTRICT NO. 1A

1974/75 Assessed Valuation (Land Only)

| | Improvement District No. 1A | Water District |
|--------------------------|--------------------------------|-------------------|
| Local Secured Roll . . . | \$18,523,930 | \$60,689,340 |
| Utility Roll | 64,910 | 171,820 |
| Total | \$18,588,840 | \$60,861,160 |

The following summary shows the growth in assessed valuation (land only) which has occurred over the past five years.

MOULTON-NIGUEL WATER DISTRICT and IMPROVEMENT DISTRICT NO. 1A

Growth in Assessed Valuation (Land Only)

| Fiscal Year | Improvement District No. 1A | Water District |
|-------------------|--------------------------------|-------------------|
| 1970/71 | \$10,500,990 | \$35,154,730 |
| 1971/72 | 11,003,140 | 37,213,000 |
| 1972/73 | 15,441,130 | 49,403,160 |
| 1973/74 | 16,706,130 | 53,339,570 |
| 1974/75 | 18,588,840 | 60,861,160 |

The following tabulations show the 1974/75 assessed valuation of all property (land, improvements and personal property) located within the Water

District and Improvement District No. 1A. These valuations reflect two types of exemptions (\$1,750 of the assessed valuation of an owner occupied dwelling and 50 percent of the assessed valuation of business inventories) which do not result in any loss of revenues to local taxing agencies since an amount equal to the taxes which would have been payable on such exempt valuations is reimbursed by the State.

MOULTON-NIGUEL WATER DISTRICT

1974/75 Assessed Valuations of All Property

| | Net Assessed Valuation | Home- owners and Business Inventory Exemptions | Assessed Valuation For Revenue Purposes |
|-----------|------------------------------|--|--|
| Secured | \$134,205,895 | \$19,582,535 | \$153,788,430 |
| Utility | 5,197,800 | — | 5,197,800 |
| Unsecured | 3,767,690 | 461,760 | 4,229,450 |
| Total | \$143,171,385 | \$20,044,295 | \$163,215,680 |

MOULTON-NIGUEL WATER DISTRICT IMPROVEMENT DISTRICT NO. 1A

1974/75 Assessed Valuations of All Property

| | Net Assessed Valuation | Home- owners and Business Inventory Exemptions | Assessed Valuation For Revenue Purposes |
|-----------|------------------------------|--|--|
| Secured | \$ 39,171,130 | \$ 3,820,330 | \$ 42,991,460 |
| Utility | 1,710,380 | — | 1,710,380 |
| Unsecured | 1,735,500 | 275,995 | 2,011,495 |
| Total | \$ 42,617,010 | \$ 4,096,325 | \$ 46,713,335 |

Tax Rates

The tax rates for the Moulton-Niguel Water District and Improvement District No. 1A have been decreased during each of the last eight years. The following tabulation shows a five-year summary of the tax rates for the Water District and the Improvement District.

MOULTON-NIGUEL WATER DISTRICT and IMPROVEMENT DISTRICT NO. 1A

Five-Year Summary of Tax Rates Per \$100 Assessed Valuation

| Fiscal Year | Improvement District | Water District |
|----------------|-------------------------|-------------------|
| 1970/71 | \$1.5179 | \$1.6015 |
| 1971/72 | 1.4503 | 1.5000 |
| 1972/73 | 1.0500 | 1.1460 |
| 1973/74 | 1.0300 | 0.9900 |
| 1974/75 | 1.0100 | 0.8900 |

The largest tax rate area within Improvement District No. 1A is Tax Rate Area 82-040. The assessed valuation of all property within Tax Rate Area 82-040 is \$31,517,520 and the assessed valuation of land only is \$9,414,200. These assessed valuations represent 67.47 percent and 50.64 percent, respectively, of the total assessed valuations within Improvement District No. 1A. The following table shows the 1974/75 tax rate for Tax Rate Area 82-040.

Tax Rate Area 82-040

1974/75 Tax Rates Per \$100

Assessed Valuation

| | |
|---|-----------|
| Orange County | \$ 1.8094 |
| Capistrano Unified School District | 4.3262 |
| Saddleback Community College | .7005 |
| Other Education Taxes | .1780 |
| Metropolitan Water District of Southern California | .1500 |
| County Flood Control District | .2222 |
| Other Special Districts | 1.0807 |
| Total — All Rolls | \$ 8.4670 |
| Orange County Sanitation District No. 12 | .2641① |
| Street Light Maintenance District No. 1 | .1223① |
| Moulton-Niguel Water District | .8900② |
| Moulton-Niguel Water District I.D. No. 1 | .9400② |
| Moulton-Niguel Water District I.D. No. 1A | 1.0100② |

① Tax on land and improvements

② Tax on land only

Tax Levies and Delinquencies

Following is a record of taxes levied by the Moulton-Niguel Water District and Improvement District No. 1A during the past five fiscal years, together with the amounts and percentages delinquent as of June 30 of each year.

MOULTON-NIGUEL WATER DISTRICT

Tax Levies and Delinquencies

| Fiscal Year | Tax Levy | Delinquencies as of June 30 | | |
|-------------------------------|--------------|-----------------------------|---------|--|
| | | Amount | Percent | |
| Moulton-Niguel Water District | | | | |
| 1969/70 . . . | \$500,091.42 | \$ 4,580.98 | 0.92% | |
| 1970/71 . . . | 560,742.16 | 1,735.62 | 0.31 | |
| 1971/72 . . . | 557,302.77 | 8,818.10 | 1.58 | |
| 1972/73 . . . | 561,464.33 | 11,187.64 | 1.99 | |
| 1973/74 . . . | 524,843.57 | 8,914.72 | 1.70 | |

MOULTON-NIGUEL WATER DISTRICT IMPROVEMENT DISTRICT NO. 1A

Tax Levies and Delinquencies

| Fiscal Year | Tax Levy | Delinquencies as of June 30 | |
|---------------|--------------|-----------------------------|---------|
| | | Amount | Percent |
| 1969/70 . . . | \$134,647.31 | \$ 887.96 | 0.66% |
| 1970/71 . . . | 157,636.71 | 1,183.82 | 0.75 |
| 1971/72 . . . | 158,826.21 | 773.42 | 0.49 |
| 1972/73 . . . | 161,388.08 | 1,423.66 | 0.88 |
| 1973/74 . . . | 169,215.05 | 1,357.49 | 0.80 |

Revenues, Expenditures and Fund Balances

Tables 3 and 4 show a five-year summary of revenues and expenditures for the Moulton-Niguel Water District and Improvement District No. 1A, as reported in annual financial statements prepared by Hanson, Peterson, Cowles & Sylvester, Certified Public Accountants, Tustin, California.

Fund balances as of June 30, 1974 for the Moulton-Niguel Water District and Improvement District No. 1A are listed below.

MOULTON-NIGUEL WATER DISTRICT

June 30, 1975 Fund Balances

| | Moulton-Niguel Water District | Improvement District No. 1A |
|---|-------------------------------|-----------------------------|
| Debt Service Fund | \$ 33,977 | \$ — |
| Sinking Fund | 85,185 | — |
| Bond Reserve Fund | 1,250,231 | 55,600 |
| Bond Construction Fund | 808,264 | 146,818 |
| Planning and Construction Reserve | 3,318,092 | 337,795 |
| Totals | \$5,495,749 | \$540,213 |

Direct and Overlapping Bonded Debt

There are \$1,310,000 of general obligation bonds of Improvement District No. 1A currently outstanding. The bonds mature serially through July 1, 1998.

Table 5 shows a statement of direct and estimated overlapping general obligation bonded debt of Improvement District No. 1A.

Table 3
MOULTON-NIGUEL WATER DISTRICT
Revenues and Expenditures

| | 1969/70 | 1970/71 | 1971/72 | 1972/73 | 1973/74 |
|---|-------------|-------------|-------------|-------------|------------------------|
| REVENUES | | | | | |
| Water Sales | \$ 526,259 | \$ 656,808 | \$ 752,802 | \$ 860,999 | \$1,102,922 |
| Sanitation Charges | 125,564 | 157,356 | 203,706 | 247,507 | 293,563 |
| Water Sales and Connection Charges | — | — | — | 105,331 | 250,860 |
| Other Operating Income | — | — | 5,820 | — | 9,238 |
| Interest Earned | 548,308 | 368,945 | 325,604 | 258,718 | 504,050 |
| Property Taxes and Assessments .. | 1,022,036 | 1,232,143 | 1,247,715 | 1,328,467 | 1,357,763 |
| Contributions in Aid of Construction | 987,465 | 913,119 | 1,239,552 | 944,026 | 3,270,741 ^① |
| Other Non-Operating Income | — | 25,617 | 13,742 | 26,059 | 53,005 |
| Total Revenue | \$3,209,632 | \$3,353,988 | \$3,788,941 | \$3,771,107 | \$6,842,142 |
| EXPENDITURES | | | | | |
| Operating Expense ^② | \$ 935,761 | \$1,243,901 | \$1,536,469 | \$1,955,657 | \$2,438,678 |
| Interest Expense | 599,810 | 586,731 | 802,082 | 1,176,380 | 1,162,720 |
| Other Non-Operating Expense | — | — | 12,499 | 129,185 | 53,790 |
| Total Expenditures | \$1,535,571 | \$1,830,632 | \$2,351,050 | \$3,261,222 | \$3,655,188 |
| NET INCOME | \$1,674,061 | \$1,523,356 | \$1,437,891 | \$ 509,885 | \$3,186,954 |
| Depreciation | 264,662 | 327,364 | 401,798 | 587,765 | 675,081 |
| WORKING CAPITAL | \$1,938,723 | \$1,850,720 | \$1,839,689 | \$1,097,650 | \$3,862,035 |

^① Includes federal and state grant funds of \$2,842,013

^② Includes depreciation

Table 4**MOULTON-NIGUEL WATER DISTRICT IMPROVEMENT DISTRICT NO. 1A****Revenues and Expenditures**

| | 1969/70 | 1970/71 | 1971/72 | 1972/73 | 1973/74 |
|---|------------|------------|------------|------------|----------------------|
| REVENUES | | | | | |
| Sanitation Charges | \$ 35,023 | \$ 39,296 | \$ 51,399 | \$ 62,520 | \$ 75,758 |
| Connection Fees | — | — | — | — | 61,812 |
| Other Operating Income | 318 | — | 1,266 | 652 | 181 |
| Interest Earned | 33,705 | 37,862 | 28,457 | 25,541 | 43,584 |
| Property Taxes and Assessments .. | 134,769 | 177,574 | 180,996 | 181,744 | 190,997 |
| Contributions in Aid of Construction | 136,547 | 129,789 | 104,610 | 45,893 | 125,334 ^① |
| Other Non-Operating Income | — | 3,188 | — | 25,559 | 25,559 |
| Total Revenue | \$ 340,362 | \$ 387,709 | \$ 366,728 | \$ 341,909 | \$ 523,225 |
| EXPENDITURES | | | | | |
| Operating Expense ^② | \$ 70,230 | \$ 123,182 | \$ 143,586 | \$ 228,852 | \$ 306,180 |
| Interest Expense | 3,990 | 1,365 | 72,870 | 72,870 | 72,870 |
| Other Non-Operating Cost | — | — | 525 | 21,291 | 4,930 |
| Total Expenditures | \$ 74,220 | \$ 124,547 | \$ 216,981 | \$ 323,013 | \$ 383,980 |
| NET INCOME | \$ 266,142 | \$ 263,162 | \$ 149,747 | \$ 18,896 | \$ 139,245 |
| Depreciation | 12,261 | 22,140 | 37,096 | 86,328 | 91,342 |
| | \$ 278,403 | \$ 285,302 | \$ 186,843 | \$ 105,224 | \$ 230,587 |

① Includes federal and state grant funds of \$92,976

② Includes depreciation

Table 5**MOULTON-NIGUEL WATER DISTRICT IMPROVEMENT DISTRICT NO. 1A****Direct and Overlapping Bonded Debt**

| | | |
|--|---|---------------------|
| Estimated Population | 9,590 | |
| 1974/75 Assessed Valuation | | |
| Land Only | \$ 18,588,840 | |
| All Rolls | 46,713,335 | |
| Estimated Market Value | | |
| Land Only Per Assessor | \$ 74,355,000 ^① | |
| Land Only Per Appraisal | 96,000,000 ^② | |
| All Property Per Assessor | 186,685,000 ^① | |
| | Debt Applicable April 30, 1975^③ | |
| Agency | Percentage | Amount |
| Orange County | 0.737% | \$ 32,170 |
| Orange County Flood Control District | 0.737 | 169,473 |
| Metropolitan Water District | 0.129 | 712,343 |
| Saddleback Community College District | 4.113 | 295,313 |
| Capistrano Unified School District | 14.457-14.632 | 4,453,947 |
| Saddleback Valley Unified School District | 0.049 | 4,155 |
| Tustin Union High School District (Various Issues) | 0.013-0.019 | 1,469 |
| San Joaquin School District (Various Issues) | 0.020-0.031 | 3,773 |
| Moulton-Niguel Water District | 30.543 | 1,701,245 |
| Moulton-Niguel Water District, Improvement District No. 1A | 100. | 4,405,000 |
| County Sanitation District No. 12 | 99.986 | 1,599,776 |
| Moulton-Niguel Improvement District No. 1 | 99.836 | 3,803,752 |
| Moulton-Niguel Improvement District No. 3 | 0.763 | 21,593 |
| TOTAL DIRECT AND OVERLAPPING BONDED DEBT | | \$17,204,009 |

| | Percentage of | | Per Capita |
|-----------------------------------|--------------------|-------------------|------------|
| | Assessed Valuation | Market Value | |
| Assessed Valuation | | | |
| Land Only | — % | — % | \$1,938 |
| All Property | — | — | 4,871 |
| Direct Debt | 16.68 ^④ | 3.23 ^⑤ | 459 |
| Direct and Overlapping Debt | 36.83 ^⑥ | 9.22 ^⑥ | 1,794 |

① The State Board of Equalization reported that Orange County assessed valuation for the 1974/75 fiscal year averaged 25 percent of full cash value. Utility property is reported to be assessed at the same rate.

② See Appendix 1.

③ Excludes sales, if any, between April 1, 1975 and April 30, 1975, except for the bonds described in this official statement. Also excludes \$200,575 of obligations secured by leases to County.

④ Based on assessed valuation of land only.

⑤ Based on appraised value.

⑥ Based on assessed valuation of all property.

THE DISTRICT

The Moulton-Niguel Water District covers an area of 24,500 acres located in southwestern Orange County, approximately 16 miles southwest of Santa Ana, the county seat and 50 miles southwest of Los Angeles.

Organization and Operation

The Moulton-Niguel Water District ("the District") was organized in November 1960 pursuant to the California Water District Law (Division 13 of the Water Code of the State of California, commencing with Section 3400). It is governed by a board of directors consisting of seven members, each being elected at large by qualified voters in the district. The board elects a president from its members and appoints a secretary. The treasurer is elected by the voters. A general election for officers must be held every two years. The water district presently maintains a full-time staff of 32 employees, under the overall supervision of a general manager who is appointed by and responsible to the governing board. Mr. Carl J. Kymla, a native of Orange County and graduate of the University of Southern California, serves as General Manager of the Moulton-Niguel Water District. Mr. Kymla is also the Chairman of AWMA and since 1973 has served as a member of the Board of Directors of the Metropolitan Water District of Southern California. Prior to joining the district, he was associated with the Orange County government in an executive capacity and has had experience at various levels of local government.

A biographical sketch of each of the officers of the District is as follows:

Mr. Ivar O. Hanson, President of the Board of Directors of the District, served as president and a director of the Laguna-Niguel Corporation from 1960 until his retirement in 1967. Prior to 1960, Mr. Hanson was the general manager of Palos Verdes Properties. That organization was responsible for the development of a majority of the 16,000-acre Palos Verdes peninsula, which includes such well-known Los Angeles area communities as Rolling Hills, Palos Verdes Estates, Portuguese Bend, and the supporting facilities such as shopping centers, a research center, and golf course.

Mr. H. L. "Les" Remmers, a Vice-President and Director of the District, was engaged in agricultural activities in the Riverside and Orange County areas for 41 years until his retirement in 1962. Mr. Remmers is a resident-homeowner within Improvement Districts 1 and 1A. He has also served as a director

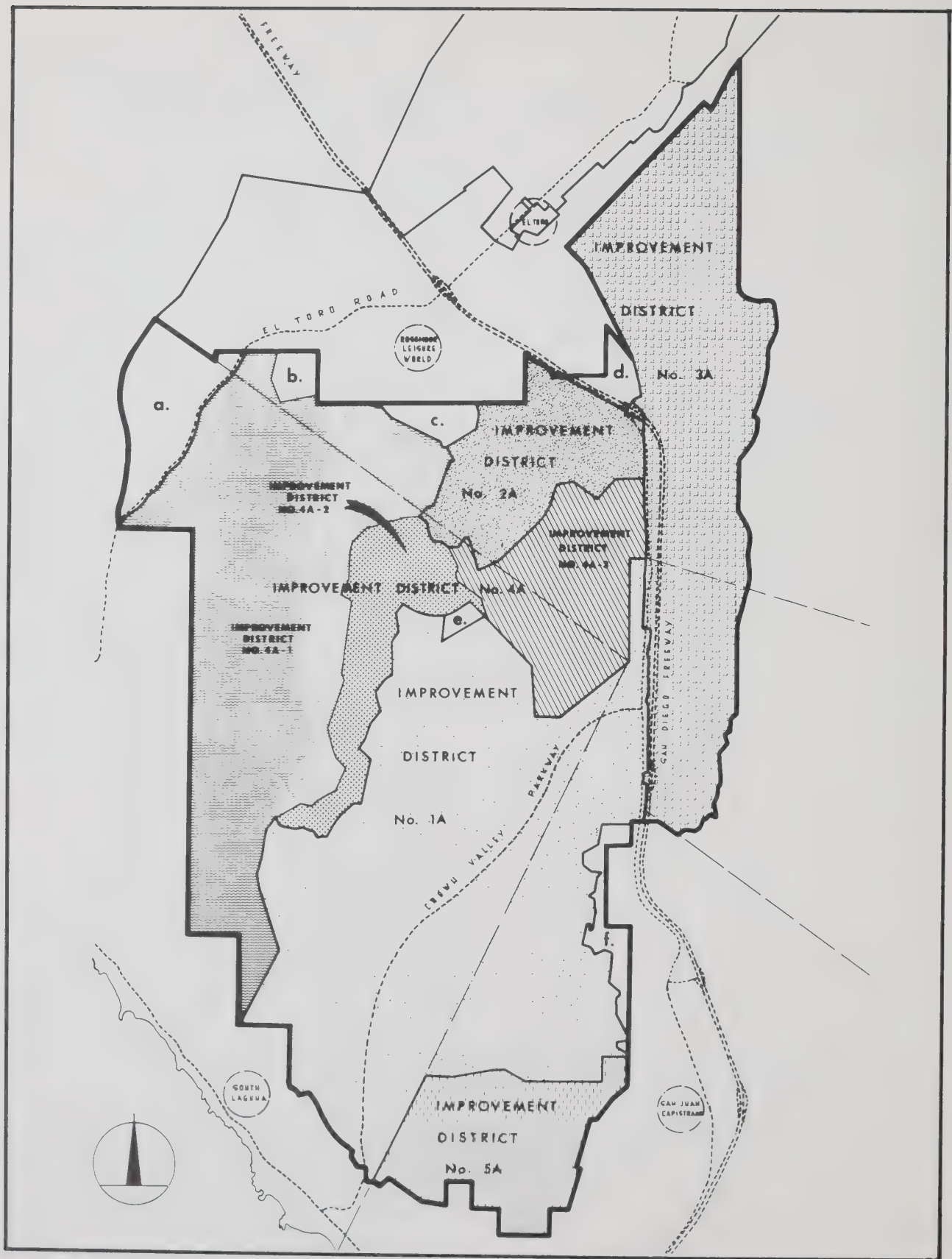


Figure 2. Improvement District Boundaries

of the Trabuco Water Company in San Juan and as a Director and President of the Coastal Municipal Water District.

Mr. Larry R. Lizotte, a Vice-President and Director of the District, and a resident-homeowner within Improvement Districts 1 and 1A, is a Vice-President of Broadmoor Homes, a major developer of residential properties in Orange County. Mr. Lizotte was formerly employed by the Laguna-Niguel Corporation (since acquired by Avco Community Developers, Inc.) and participated in the initial development of the District.

Mr. Robert L. Aldrich, a Director of the District, is a resident-homeowner within Improvement Districts 3 and 3A of the District. Mr. Aldrich is employed by Avco Insurance Company as an Assistant Vice President/Underwriting for specialty lines.

Mr. Robert E. Dwyer, a retired advertising executive, was appointed to the Board of Directors of the District in March 1975. He is a resident-homeowner within Improvement Districts 1 and 1A. Mr. Dwyer has served as Vice President and Director of the Three Arch Bay Community Services District and as a Director of the South Coast County Water District. Other community activities have included service as Vice-President, Director and Executive Officer of the Three Arch Bay Association and as Vice-President of the United South Orange Community Association.

Mr. Harold M. Mathisen, a Director of the District is a resident-homeowner within Improvement Districts 2 and 2A. Mr. Mathisen, who is retired, brings to the District a broad background in water utility management and engineering.

Mr. Torrey H. Webb, a Director of the District, has spent most of his active business life in the petroleum industry. From August 1, 1938, to November 1, 1941, he served as Vice-President and general manager of the Texas Company of California, and, from November 1, 1941, until the time of his retirement on December 31, 1956, he served as Vice-President of the Texas Company of Delaware (now Texaco, Inc.). His activities for these companies covered the eight western states, with his headquarters being in Los Angeles, California.

Improvement District No. 1A

Improvement District No. 1A is located in the southerly portion of the District in the community of Laguna Niguel. The location of the Water District and Improvement District No. 1A are shown in Figure 2.

Improvement District No. 1 was formed in November of 1962 to provide major intra-district water facilities within an area of approximately 8,300 acres in the southern portion of the District. Sewerage facilities for the area were initially provided by Orange County Sanitation District No. 12. Subsequently the California Water District law was amended to authorize the provision of sanitary sewerage services and on April 14, 1964 Improvement District No. 4 was formed to provide sewerage service in the area then served by Orange County Sanitation District No. 12. On May 19, 1965 the Sanitation District was merged with Improvement District No. 1A.

The Improvement District consists of approximately 8,300 acres of rolling terrain. Major development has taken place throughout the Improvement District, however, some minor areas are still being utilized for grazing purposes. Development has been primarily residential, but a sub-regional shopping center is currently being expanded and approximately 12 percent of the Improvement District is zoned for light industry.

Population

The following tabulation shows the growth in the estimated population of the Moulton-Niguel Water District and Improvement District No. 1A over the past ten years.

MOULTON-NIGUEL WATER DISTRICT

Estimated Population^①

| Year | Moulton-Niguel Water District | Improvement District No. 1A |
|------------|-------------------------------|-----------------------------|
| 1964 | 211 | 694 ^② |
| 1965 | 1,883 | 1,583 ^② |
| 1966 | 4,140 | 2,318 ^② |
| 1967 | 8,422 | 2,753 ^② |
| 1968 | 12,691 | 3,304 |
| 1969 | 16,997 | 3,996 |
| 1970 | 20,912 | 4,847 |
| 1971 | 27,602 | 6,242 |
| 1972 | 34,213 | 7,344 |
| 1973 | 37,843 | 8,310 |
| 1974 | 40,399 | 9,553 |

① Based on number of active water service connections.

② As of mid-year. All others as of year end.



Examples of residential development within the Improvement District

The present population of the Improvement District is estimated to be 9,590 people.

Residential Development

Most of the development within the Improvement District has occurred on land controlled by Avco Community Developers, Inc., a subsidiary of Avco Corporation, or by the Laguna Niguel Corp. which was acquired by Avco Community Developers, Inc., in 1970. The company is engaged in both the construction of residences and the sale of land to commercial and residential builders for development in accordance with the company's master plan. Improvements made by the company and its predecessor include the Crown Valley Parkway, a four lane, divided arterial through the Improvement District from Interstate Highway 5 to the Pacific Coast Highway, and an 18-hole golf course.

Another large landholder is the North American Rockwell Corporation. Although a 1,000,000 square foot building within the Improvement District has been acquired by the Federal government, the company still retains title to more than 1,200 acres of land which it plans to develop to a multiplicity of uses, including residential, commercial, business parks and recreational areas.

It is anticipated that land within the Improvement District will be fully developed within fifteen to twenty years. The estimated ultimate population is projected to be 45,000 to 50,000.

The tabulation below shows the growth in the number of water services within the Improvement District over the past ten years.

Employment

Residents of the District find employment throughout Orange County. Total employment in the County, as reported by the California Employment Development Department, is shown in the accompanying tabulation.

ORANGE COUNTY

Employment

| | December 1973 | December 1974 |
|---|------------------|------------------|
| Aerospace and Electronics | 62,800 | 63,000 |
| Non-electrical Machinery | 16,900 | 18,900 |
| Other Durable Goods | 34,700 | 33,400 |
| Nondurable Goods | 33,500 | 33,200 |
| Total Manufacturing | 147,900 | 148,500 |
| Wholesale and Retail Trade | 128,800 | 142,600 |
| Services | 96,800 | 104,500 |
| Government | 83,000 | 86,200 |
| Construction | 30,400 | 28,000 |
| Finance Insurance and Real Estate | 28,000 | 29,900 |
| Transportation, Communica- tions and Utilities | 17,500 | 18,500 |
| Agriculture | 6,300 | 6,100 |
| Mining | 1,900 | 1,900 |
| | 540,600 | 566,200 |

MOULTON-NIGUEL WATER DISTRICT IMPROVEMENT DISTRICT NO. 1

Water Services

| Year End | Meter Size | | | | | Total Services |
|-------------|------------|----|-----|-----|-------|-------------------|
| | ¾" | 1" | 1½" | 2" | 3-16" | |
| 1965 | 477 | 27 | 29 | 7 | 6 | 546 |
| 1966 | 668 | 34 | 30 | 7 | 5 | 744 |
| 1967 | 765 | 37 | 31 | 9 | 10 | 852 |
| 1968 | 879 | 38 | 46 | 15 | 10 | 988 |
| 1969 | 1,014 | 48 | 50 | 21 | 10 | 1,143 |
| 1970 | 1,205 | 48 | 70 | 34 | 11 | 1,368 |
| 1971 | 1,542 | 49 | 71 | 42 | 54 | 1,758 |
| 1972 | 1,841 | 53 | 92 | 54 | 24 | 2,064 |
| 1973 | 2,074 | 63 | 99 | 75 | 24 | 2,335 |
| 1974 | 2,430 | 87 | 115 | 128 | 24 | 2,784 |



The Moulton-Niguel Water District office

The Federal Building



Industry

The Laguna Niguel Industrial Park is located in the Improvement District. Occupants at the park are engaged primarily in commercial and light industrial enterprises.

The table on the following page lists the major manufacturing industries in Orange County, as reported by the Orange County Chamber of Commerce.

The Irvine Industrial Complex, covering more than 6,000 acres located north of the District, is one of the largest planned industrial developments in the nation. Already more than 500 companies have located manufacturing and other facilities employing approximately 35,000 people within the complex and continued growth is expected. The Fluor Corporation is presently constructing a facility within the complex which will employ an estimated 5,000 people.

The Irvine Company has announced plans for the Irvine Industrial Complex-East to be located about four miles north of the District. It will cover approximately 2,600 acres, including more than 1,900 acres

to be devoted to industry and 600 acres for commercial facilities. The commercial facilities will be designed, in part, to serve people employed within the complex. The Irvine Company expects to commence industrial sales and leasing activities within the new complex in about one year.

Government Facilities

The South Orange County Civic Center is located within the Improvement District. Facilities at the Civic Center include Municipal Courts, a Sheriff's sub-station and a fire station. A branch of the County Library is proposed to be located at Civic Center.

The General Services Administration of the Federal Government recently acquired a seven-story, \$24,000,000 plant built by the North American Rockwell Corporation within the Improvement District. The 1,000,000 square feet of floor space is to be used for bulk storage of government records. The facility will eventually provide employment for an estimated 2,000 people.

The El Toro Marine Corps Air Station is located 3½ miles north of the Improvement District.

The South Orange County Civic Center



ORANGE COUNTY

Major Manufacturing Industries (200 or More Employees)

| Company | Employees | Company | Employees | Company | Employees |
|--------------------------------------|-----------|----------------------------------|-----------|----------------------------------|-----------|
| Aerospace and Aircraft | | Hyland Div. Travenol Labs Inc. | | Hi-Tek Corp. | |
| Aerojet-General Corp., | | Costa Mesa | 1,500 | Santa Ana | 200 |
| Fullerton | 1,800 | Inmont Corp. | | Hughes Aircraft Ground | |
| Air Industries Corporation, | | Anaheim | 400 | Systems | |
| Garden Grove | 375 | Maxad Inc. | | Fullerton | 5,469 |
| Arrowhead Products, | | Fullerton | 210 | International Circuit | |
| Los Alamitos | 350 | Nutrilite Products Inc. | | Technology | |
| Bertea Corporation, Irvine | 1,000 | Buena Park | 430 | Costa Mesa | 350 |
| Carter J. C. Company, | | Plas-Ties | | Interstate Electronics | |
| Costa Mesa | 233 | Santa Ana | 1,300 | Corporation | |
| Energy Products Division | | Rexall Chemical | | Anaheim | 1,000 |
| Santa Ana | 700 | Santa Ana | 200 | ITT | |
| Ex-Cell-O Corporation | | Royal Industries Inc. | | Costa Mesa | 200 |
| Costa Mesa | 250 | Santa Ana | 250 | ITT Cannon Electric | |
| Federal-Mogul Corp., | | Travenol Laboratories Inc. | | Santa Ana | 2,000 |
| Los Alamitos | 500 | Costa Mesa | 225 | Joy Manufacturing Corp. | |
| Fruehauf Corporation, | | U.S. Polymeric Chemicals Inc. | | Anaheim | 360 |
| Fullerton | 650 | Santa Ana | 300 | Litton Industrial Systems | |
| McDonnell Douglas | | | | Inc. | |
| Corporation, | | Electrical and Electronic | | Anaheim | 250 |
| Huntington Beach | 14,000 | Machinery, Equipment, and | | L T V Ling Altec Inc. | |
| Northrup Electro-Mechanical | | Supplies | | Anaheim | 1,000 |
| Div., Anaheim | 1,493 | Altec Sound Products | | Master Specialties Co. | |
| Nortronics, Anaheim | 500 | Division | | Costa Mesa | 400 |
| Parker-Hannifin Corp., | | Anaheim | 937 | Metropolitan West Inc. | |
| Irvine | 900 | American Electronics Inc. | | Costa Mesa | 200 |
| Raytheon Company, | | Fullerton | 230 | North American Rockwell | |
| Santa Ana | 275 | AMF-Potter & Brumfield | | Corp. | |
| Royal Industries Inc., | | San Juan Capistrano | 500 | Anaheim | 300 |
| Santa Ana | 650 | Audio Magnetics Corp. | | Parelco Operations — | |
| Rucker Company, Santa Ana | 280 | Irvine | 225 | Potter & Brumfield | |
| Susquehanna Corp., | | Babcock Electronics Corp. | | San Juan Capistrano | 400 |
| Santa Ana | 400 | Costa Mesa | 650 | Philco-Ford | |
| Textron Inc., Santa Ana | 475 | Battery Systems Inc. | | (Aeronutronics) | |
| Tool Research & Engineering | | Santa Ana | 300 | Newport Beach | 2,200 |
| Santa Ana | 500 | Borg-Warner Corp. Controls | | Rockwell Intl. | |
| Transport Dynamics Inc., | | Division | | (Autonetics) | |
| Santa Ana | 500 | Santa Ana | 300 | Anaheim | 11,000 |
| | | Century Data Systems Inc. | | Sun Battery Co. Inc. | |
| | | Anaheim | 1,500 | Santa Ana | 400 |
| Apparel and Other Finished | | Certron Corp. | | Trivex Inc. | |
| Products | | Anaheim | 560 | Orange | 300 |
| Catalina Inc., Fullerton | 200 | Collins Radio Company | | United States Filter Corp. | |
| Eddy Moss Inc., Westminster | 200 | Newport Beach | 1,000 | Newport Beach | 1,000 |
| | | Controls Research Corp. | | Vostron Industries, Inc. | |
| | | Santa Ana | 350 | Santa Ana | 250 |
| | | Covalence International | | Wanlass Electric Co. | |
| | | Corp. | | Santa Ana | 300 |
| | | Santa Ana | 315 | Western Digital Corp. | |
| Boat Building and Repairing | | Dana Laboratories Inc. | | Newport Beach | 775 |
| Ericson Yachts Inc. | | Irvine | 200 | | |
| Santa Ana | 260 | Diceon Electronics Inc. | | Fabricated Metal Products | |
| MacGregor Yacht | | Irvine | 220 | Ador/Hilite, Fullerton | 500 |
| Corporation, Costa Mesa | 250 | Econolite Div. Altec Corp. | | Air Industries Corporation, | |
| | | Anaheim | 480 | Garden Grove | 300 |
| Chemicals and Allied Products | | Electronic Instrumentation | | Astech Division, Santa Ana | 800 |
| Allergan Pharmaceuticals | | Anaheim | 400 | Cherry Commercial Prod., | |
| Irvine | 476 | Electronic Products | | Santa Ana | 500 |
| Amercoat Corporation | | Santa Ana | 1,000 | Cla-Val Co., Costa Mesa | 250 |
| Brea | 650 | Emerson Electric Co. | | Container Corp. of America, | |
| Ameron, Corrosion Cntl. Div. | | Stanton | 900 | Santa Ana | 300 |
| Brea | 700 | General Motors, Delco | | Emhart Corp., Kwikset Div., | |
| Cities Service Company | | Remy Division | | Anaheim | 1,254 |
| Tustin | 250 | Anaheim | 400 | Kaynar Mfg. Co. Inc., | |
| Comdata Corporation | | Globe-Union Inc. | | Fullerton | 350 |
| Santa Ana | 200 | Fullerton | 270 | Miller Barry L. Engineering | |
| | | | | Inc., Irvine | 200 |

| Company | Employees | Company | Employees | Company | Employees |
|---|-----------|--|-----------|---|-----------|
| Mueller Co., Brea | 325 | Coleman Engineering Co. Inc., Santa Ana | 300 | Rubber and Plastics Products | |
| Standard Pressed Steel Co., Santa Ana | 650 | Converters Div. of Amer. Hosp. Supply, Santa Ana | 230 | AMF Voit Inc. Santa Ana | 1,000 |
| Thermco Products Co. Inc., Orange | 200 | Edwards Laboratories Inc., Santa Ana | 300 | Califoam Corporation of America | |
| Townsend Co. Cherry Rivet/ Boots Nut, Santa Ana | 725 | G A F Corp., La Habra | 200 | Santa Ana | 230 |
| Wells Marine — Z. D. Products Div., Costa Mesa | 200 | Martin-Decker Company, Santa Ana | 237 | California Injection Molding Co. Inc. | |
| Food Products | | Pertec Business System, Santa Ana | 275 | Costa Mesa | 280 |
| Adohr Farms Div. The Southland Corp., Santa Ana | 420 | Robertshaw Controls Company, Anaheim | 200 | Hitco Irvine | 4,300 |
| Bridgford Foods Corp., Anaheim | 250 | Task Corp., Anaheim | 275 | Kirkhill Rubber Co. Brea | 750 |
| Hills Bros. Coffee Inc., Anaheim | 1,000 | Technicolor Inc., Costa Mesa | 285 | Monsanto Company Anaheim | 250 |
| Kraftco Corporation, Buena Park | 452 | Vostron Industries, Santa Ana | 300 | Reeves Rubber Inc. | |
| Laura Scudder's, Anaheim | 1,200 | Vought Optics Coatings & Instrument, Newport Beach | 400 | San Clemente | 450 |
| National Biscuit Company, Buena Park | 250 | Miscellaneous Manufacturing | | Strato Flex Inc. Santa Ana | 250 |
| Pet Inc., Anaheim | 550 | AMF Voit Inc., Santa Ana | 1,000 | Swedlow Inc. Garden Grove | 650 |
| Furniture and Fixtures | | CBS Musical Instrument Div., Fullerton | 700 | West American Rubber Co. Orange | 400 |
| John B. P. Furn. Mfg., Santa Ana | 325 | Conolon Corp., Santa Ana | 525 | Stone, Clay, Glass and Concrete Products | |
| Liken Inc., Westminster | 850 | Cox L M Mfg. Co. Inc., Santa Ana | 525 | Amcord Inc. Newport Beach | 2,900 |
| SPS Western, Santa Ana | 600 | Monarch Marking Systems, Garden Grove | 250 | Associated Concrete Products Inc. | |
| Steelcase Inc.-Western Division, Tustin | 350 | F. E. Olds & Son, Fullerton | 290 | Santa Ana | 400 |
| Machinery | | U S Divers Company, Santa Ana | 275 | Cambro Mfg. Corp. Huntington Beach | 200 |
| Astrodata Inc., Anaheim | 350 | Paper and Allied Products | | Corning Glass Works Orange | 5,000 |
| Burroughs Corporation, Mission Viejo | 875 | American Can Company, Anaheim | 312 | Glass Containers Corporation | |
| California Computer Products Inc., Anaheim | 920 | Convertors Inc., Santa Ana | 300 | Fullerton | 6,000 |
| Chicksan Div. FMC Corp., Brea | 305 | Menasha Corp. Container Div., Anaheim | 360 | Hydro Conduit Corporation Newport Beach | 404 |
| Computer Automation Inc., Irvine | 240 | Orchids Paper Products Concel Inc., La Palma | 200 | Kerr Glass Mfg. Co. Ahk Div. | |
| Datum Inc., Anaheim | 280 | Petroleum Refining and Related Industries | | Santa Ana | 410 |
| Document Div-Add-Mult Corp., Santa Ana | 200 | Exxon Co. U S A, Orange | 5,541 | Lasco Industries Anaheim | 400 |
| Electronic Engineering Co. of Cal., Santa Ana | 500 | Primary Metal Industries | | Textile Mill Products | |
| Emhart Corporation, Anaheim | 1,034 | Aluminum Forge Div. Altamil Corp., Santa Ana | 200 | Idamatic Inc. Santa Ana | 280 |
| Garrison Hydraulics Inc., Santa Ana | 240 | Anaconda Wire & Cable Co., Orange | 200 | Ozite Corp. Anaheim | 250 |
| General Automation Inc., Anaheim | 1,000 | Printing, Publishing, and Allied Industries | | Tubbs Cordage Co. Orange | 280 |
| Kaiser Industries Corp., Santa Ana | 252 | Freedom Newspapers Inc., Santa Ana | 1,500 | Transportation Equipment | |
| Knudsen Engineering, Irvine | 200 | Gibson Greeting Cards Inc., Anaheim | 1,000 | Executive Industries Inc. Anaheim | 500 |
| Smith International, Newport Beach | 2,900 | Moore Business Forms, Fullerton | 300 | General Motors Corp. Anaheim | 400 |
| Transport Dynamics, Santa Ana | 350 | Orange Coast Daily Pilot, Costa Mesa | 200 | Golden West Mobile Homes Santa Ana | 300 |
| Varian Data Machines, Irvine | 750 | Orange County Evening News, Garden Grove | 207 | Viking Homes Anaheim | 300 |
| Xerox Corp., Irvine | 400 | Register The, Santa Ana | 650 | | |
| Instruments; Photographic, Medical and Optical Goods | | Van de Publishing Co., Huntington Beach | 225 | | |
| American Meter Company, Fullerton | 250 | | | | |
| Beckman Instruments, Inc., Fullerton | 7,600 | | | | |



Shopping center located on Crown Valley Parkway

Commerce and Banking

Neighborhood commercial facilities and professional offices are located on Crown Valley Parkway within the Improvement District.

A district shopping center and a Hilton Inn are located in the adjacent Improvement District No. 2A.

Three miles north of Improvement District No. 1A, along Interstate 5 is the Laguna Hills Center, which includes the Laguna Hills Mall, a regional shopping center. The mall presently contains two department stores: Buffums, part of a ten-store chain based in Long Beach, and Sears; plus 56 shops. It is now being expanded to include two more department stores: the Broadway and J. C. Penney; plus 35 additional specialty shops. The portion of the center adjacent to the mall includes restaurants, financial institutions, offices and neighborhood shopping facilities.

The Bank of America NT&SA, Security Pacific Bank and the Federal Savings and Loan Assn. have branches within the District.

Transportation

The Improvement District is bordered on the east by Interstate 5, the main north-south route through California, which extends from the Mexican border south of San Diego to the Canadian border north of Seattle. Access to the freeway is provided by both Crown Valley Parkway and La Paz Road. The eastern portion of the Improvement District is traversed by the Los Angeles-San Diego line of the Atchison, Topeka and Santa Fe Railway, which is part of the Amtrak system. Rail passenger service is available in Santa Ana and San Clemente.

Bus service to adjacent communities is provided by the Orange County Rapid Transit District. Greyhound provides overland service to Los Angeles and San Diego from the nearby communities of Laguna Hills and San Clemente.

The Orange County Airport located 20 miles northwest of the District, is served by Air California, Golden West Airlines and Hughes Airwest. Extensive general aviation facilities are also available.

Recreation and Tourism

Recreational facilities within Improvement District No. 1A include an 18-hole golf course, a private country club and tennis club, three private recreation centers and the 160-acre Laguna-Niguel Regional Park. It includes a 45-acre lake stocked with fish, four tennis courts, a riding trail and picnic and barbecue facilities.

Two other regional parks are nearby. O'Neill Park has 650 overnight camping facilities, a baseball diamond, picnic facilities and a riding stable. Ronald W. Caspers Memorial Park is the largest in the area, covering 5,500 acres, open to camping, picnicking and hikers.

Another major recreational facility developed by the County is the small craft harbor at Dana Point, southwest of the District. It currently has 1,400 slips for permanent berthing of small craft, plus launching facilities for trailered boats. Construction of additional slips is due to begin soon. Ultimately it will

provide permanent berthing facilities for 2,800 craft.

There are five neighborhood parks and a 26-acre wilderness area within the Mission Viejo development which is located in Improvement Districts 3 and 3A. The Mission Viejo Company plans to create 21 additional neighborhood parks and two community parks by 1990. There are also three recreation centers which are private facilities.

Lion Country Safari is a private recreational facility covering 500 acres north of the District. It contains a variety of African animals and birds which visitors may observe at close hand during a one to one-and-one-half hour drive through the grounds.

Nearby recreational facilities include the world-famous Disneyland in Anaheim, Knott's Berry Farm in Buena Park, and Mission San Juan Capistrano. The Pacific Ocean beaches, Palm Springs desert resorts, and nearby mountains offer a wide range of recreational activities for area residents as well as travelers from out-of-state.

A portion of the Laguna-Niguel Regional Park





A portion of the Laguna-Niguel Golf Course showing the clubhouse and, at lower right, homes lining the golf course

Climate

The climate of the District is typical of the coastal plain of Southern California, being mild and relatively uniform. Median temperatures recorded at the nearby El Toro Marine Corps Air Station range from a high of 71.7 degrees in July to a low of 54.2 degrees in December. Rainfall is generally confined to the period between November and March. The proximity of the District to the ocean and the prevailing wind patterns combine to produce relatively smog-free conditions.

Utilities

Water and sewer services are provided by the Moulton-Niguel Water District. Pacific Telephone Co., Southern California Gas Co., Southern California Edison Co. and San Diego Gas & Electric Co. provide other utilities, all of which are underground.

Educational Facilities

Most of the Improvement District is located in the Capistrano Unified School District.

There is one elementary school in the Improvement District and a second is being constructed. A junior high school is also being constructed within the Improvement District.

Saddleback Valley Community College, a two-year institution, is located in the adjacent Improvement Districts 3 and 3A. The college was opened in 1968 on a temporary site. The present, permanent campus opened in 1969 utilizing relocatable buildings. The college opened its first permanent building, a library-classroom complex in 1973 and during the next year completed a new science-mathematics building.

The University of California, Irvine, was opened in 1965 on a 1,500-acre campus a short distance north of the District. It is the principal higher education facility in Orange County, offering under-

graduate and graduate programs in a variety of fields including studies toward a Ph.D. Enrollment has grown to over 7,000 students.

Other institutions of higher education in Orange County are California State College, Fullerton; Chapman College; Western State University College of Law, Anaheim; and Pepperdine University College of Law, Santa Ana.

Community Facilities

There are three hospitals in the vicinity of the District. Mission Community Hospital is a 212-bed facility offering patient care, 24-hour emergency

room, a separate 35-bed intensive care unit, and a recuperative care unit. South Coast Community Hospital is located on the Coast Highway in South Laguna. It is served by a staff of about 180 physicians and surgeons. It has been expanded from a 75-bed facility to a present licensed capacity of 263 beds. In January, 1974, the 160-bed Saddleback Community Hospital was opened in Laguna Hills adjacent to the Laguna Hills center.

Two local daily newspapers serve the area, the *Santa Ana Register* and the *South Coast Daily Pilot*. The *Los Angeles Times* and *Herald Examiner* are also circulated in the area.

The Saddleback Community Hospital



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December 20, 1972

Districts Securities Division
Office of the Treasurer
State of California
120 Montgomery Street, 13th Floor
San Francisco, CA 94104

Attention: Mr. T. P. Stivers, Executive Secretary

RE: Appraisal of Improvement District 1-A of Moulton-Niguel
Water District

Gentlemen:

Pursuant to the request of Moulton-Niguel Water District, I have made an inspection and investigation of approximately 8,000 acres of land within the boundaries of Improvement District 1-A, and in my opinion the Fair Market Value as of this date, exclusive of any buildings thereon, is not less than--

\$ 96,000,000.00 *
Ninety-Six Million Dollars

In arriving at the above valuation, I have taken into consideration open market sales of lands within the District, as well as sales of comparable lands in the immediate vicinity of the District being appraised. Consideration has also been given to the proximity of highways and rail facilities to the District, as well as land use and the master plan of Orange County Planning Commission.

* \$ 12,000.00 per acre

The following record of open market sales during the past 36 months represents the various types of lands similar to those of the 8,000 acres being appraised:

| <u>Sales Within District Or Immediate Area *</u> | <u>Date Of Sale</u> | <u>Total Sale Price</u> | <u>Average Per Acre</u> |
|--|-------------------------|-----------------------------|-----------------------------|
| 57 Acres | 11/69 | \$ 1,679,000.00 | \$29,460.00 |
| 80 Acres | 12/69 | 1,567,500.00 | 19,570.00 |
| 75 Acres | 1/70 | 2,702,120.00 | 36,000.00 |
| 31 Acres | 1/70 | 362,500.00 | 11,590.00 |
| 840 Acres | 12/70 | 5,000,000.00 | 5,950.00 |
| 263 Acres | 6/71 | 1,578,000.00 | 6,000.00 |
| 192 Acres | 11/71 | 1,891,000.00 | 9,860.00 |
| 790 Acres | 9/72 | 5,550,000.00 | 7,020.00 |
| 510 Acres | Current | 3,800,000.00 | 7,460.00 |

The valuation analysis of the subject lands has included a thorough comparison with the above sales, as well as consideration of other relevant factors, among which are variations of topography, drainage, and accessibility.

* All acreages are approximate

The subject District is located within the southeasterly portion of Orange County approximately 50 miles southeast of the Civic Center of Los Angeles and approximately 16 miles southeast of Santa Ana, the County Seat.

It is my opinion that the highest and best use of the lands being appraised is for single family, multi-residential, commercial, industrial, and recreational use.

There is an existing demand for the purchase of acreage in this area of Orange County and this appraised value is concluded at a price level indicated by recent sales and actual contracts to purchase of comparable properties. The trend of value is definitely upward from the value reported herein and when the construction of water and sewerage facilities necessary to serve District 1-A are completed, this upward trend should increase. In the past 18 months, construction of single family residences, industrial, and recreational facilities within an eight-mile radius of the subject District has been extremely active.

The undersigned further states:

That he has been engaged in the sales, leasing and appraisal of all types real property in the State of California and the Western United States for the past fourteen years and that he is experienced in the valuation of urban and agricultural lands of all classes;

That he was associated for seven years with the R. S. Redington Company, which firm specialized in the appraising of all forms of real estate, predominantly in the condemnation field;

That he opened and operated his own appraisal office for a period of six years, specializing in the appraising of real estate;

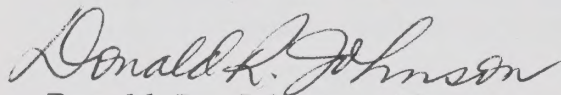
That he is now the manager of the Appraisal Division of R. A. Rowan & Co., business and industrial realtors, which firm has specialized in the appraising, selling, leasing, and managing of business and industrial properties in the County of Los Angeles for over sixty years;

That he has been the appraiser for Connecticut Mutual Life Insurance Company in the Los Angeles and Orange County Districts for the past six years and has acted as appraiser of real estate for various governmental agencies, banks, insurance companies, corporations, and individuals.

That he has investigated the property described herein for the purpose of estimating its Fair Market Value;

That he is not interested, directly or indirectly, in the consummation of a sale of the property herein described, or any part thereof.

Respectfully Submitted,

A handwritten signature in cursive script, reading "Donald R. Johnson". The signature is written in dark ink and is positioned above the printed name and title.

Donald R. Johnson, Manager
Appraisal Division

DRJ:kjb

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